

SENATE RESOLUTION No. 13

DIGEST OF INTRODUCED RESOLUTION

A SENATE RESOLUTION to urging the United States Congress to implement the Homeowners and Bank Protection Act.

RANDOLPH

January 15, 2009, read first time and referred to Committee on Insurance and Financial Institutions.



Introduced

First Regular Session 116th General Assembly (2009)

SENATE RESOLUTION No. 13

MADAM PRESIDENT:

I offer the following resolution and move its adoption:

A SENATE RESOLUTION to urging the United States Congress to implement the Homeowners and Bank Protection Act.

Whereas, the onrushing financial crisis engulfing home mortgages, debt instruments of all types, and the banking system of the United States threatens to set off an economic depression worse than the 1930's; and

Whereas, millions of American citizens are threatened with foreclosure and loss of their homes over the upcoming months, according to studies released by Realty Trac and Moody's Economy.com; and

Whereas, this financial crisis is now threatening the integrity of both state and federally chartered banks, as typified by the run on deposits of Countrywide Financial in California during the month of August 2007; and such a banking collapse would wipe out the life savings of American citizens and drastically undermine the economic stability of our states and cities; and

Whereas, in a similar financial crisis in the 1930's,

2009

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President Franklin D. Roosevelt intervened to protect banks and homeowners; for example, in April of 1933, he introduced legislation as a “declaration of national policy . . . that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability . . .;

*Be it resolved by the Senate of the
General Assembly of the State of Indiana:*

1 SECTION 1. That we hereby endorse the Homeowners and Bank
2 Protection Act of 2007. This crisis is such that it requires emergency
3 action that only the United States Congress has the capability to enact.
4 Congress must move quickly to keep people in their homes and avert
5 social chaos. Congressional action must include the following
6 provisions:

7 1. Congress must establish a federal agency to place the federal
8 and state chartered banks under protection, freezing all existing home
9 mortgages for a period of months or years which would be required to
10 adjust the values to fair prices, and restructure existing mortgages at
11 appropriate interest rates. Further, this action would also write off all
12 of the speculative debt obligations of mortgage-backed securities,
13 derivatives, and other forms of Ponzi Schemes that have brought the
14 banking system to the point of bankruptcy.

15 2. During the transitional period, all individual homeowner
16 foreclosures shall be frozen, allowing American families to retain their
17 homes. Monthly payments, the equivalent of rental payments, shall be
18 made to designated banks, which can use the funds as collateral for
19 normal lending practices, thus recapitalizing the banking systems.
20 Ultimately, these affordable monthly payments will be factored into
21 new mortgages, reflecting the deflating of the housing bubble, the
22 establishment of appropriate property valuations, and reduced fixed
23 mortgage interest rates. This adjustment will take several years to
24 achieve. In the interim period no homeowner shall be evicted from his
25 or her property, and the federal and state chartered banks shall be
26 protected so they can resume their traditional functions, servicing local
27 communities, and facilitating credit for investment in productive



1 industries, agriculture, infrastructure, and other prudent financing
2 needs.

3 3. State governors shall assume the administrative responsibilities
4 for implementing the program, including the "rental" assessments to
5 designated banks, with the federal government providing the necessary
6 credits and guarantees to assure the successful transition.

7 4. The Secretary of the Senate is hereby directed to transmit
8 copies of this resolution to members of the Indiana Delegation of the
9 United States Congress and also be delivered to the President of the
10 United States for immediate implementation.

